

those earnings, once received by the parent, are subject to full Federal taxation. As a result, billions of dollars in CFC earnings remain in foreign banks, where they generate no Federal revenue and create no American jobs.

My legislation seeks to integrate Puerto Rico companies into the U.S. tax system. It would authorize, but not require, companies that are incorporated in Puerto Rico and that earn at least 50 percent of their income on the island to operate as domestic U.S. companies. The bill would promote consistency and uniformity by bringing the treatment of an electing Puerto Rico company in line with the current treatment of a Puerto Rico individual under section 933 of the Internal Revenue Code.

Specifically, an electing company would be subject to Federal taxation on its worldwide income, except on the income it earns in Puerto Rico. Because it is a domestic rather than a foreign firm, the Puerto Rico corporation could distribute its earnings to its U.S. parent in the form of a dividend under section 243 of the Tax Code, which allows the parent to deduct a substantial amount of a dividend, depending on the parent's ownership stake in the subsidiary. Therefore, profits that were previously kept outside of the United States are now more likely to be brought back into this country, where they may be subject to a reduced, but still meaningful, level of taxation under section 243 and used to create jobs in America.

Moreover, as I already noted, under this legislation, electing corporations that have income derived from sources outside Puerto Rico—whether in the States or foreign countries—would become subject to Federal taxation on that income. This will generate additional revenue for the U.S. Treasury, since CFCs with non-Puerto Rico-source income currently pay no Federal tax on that income.

I hope my colleagues will support this bill.

This legislation is a substantial improvement over earlier proposals put forward by leaders in Puerto Rico with the goal of encouraging job-creating investment on the island. Those proposals were carefully considered by the Federal Government and were met with resistance, even by Members of Congress and other Federal officials sensitive to Puerto Rico's unique circumstances. The primary shortcoming of those proposals is that they sought benefits without burdens. My legislation, by contrast, is balanced. It would benefit both Puerto Rico and our Nation. I hope my colleagues on both sides of the aisle will support it.

#### REBUILD THE AMERICAN DREAM JOBS FRAMEWORK

The SPEAKER pro tempore. The Chair recognizes the gentleman from Arizona (Mr. GRIJALVA) for 5 minutes.

Mr. GRIJALVA. Mr. Speaker, this summer I took part in the Speak Out for Good Jobs Now! Rebuild the Amer-

ican Dream tour. Thousands of concerned Americans packed rooms across this country to share their stories of hardship, unemployment, and struggle. From these stories, my colleagues in the Congressional Progressive Caucus and I wrote the Rebuild the American Dream Jobs Framework, which outlines how we will put America back to work and get our economy moving again. I wanted to take some time today to share some of the stories and realities that we heard on this tour.

My first story is from Kimberly Lawrence from my State of Arizona. She says, "I waited more than 30 years to finally receive a modest inheritance from my grandmother's property. I used the money to make improvements on my home that my husband and I were buying, and to open my own childcare business. It happened that the year I opened is the same year the economy failed. I struggled to hold on, but when the new Governor of Arizona stripped away childcare subsidies and at the same time raised licensing fees by 200 percent, I lost nearly all of my clientele."

"I lived in a town that relied on hospitality jobs, which, coupled with all else, crippled the local economy and forced me out of business. My husband was laid off from his cabinet-maker job. And now, after struggling, our home is in foreclosure and set for auction. Everything I hoped for had finally taken shape, just to be ripped away. I have since left my husband and am now searching for a job in California. I have been applying and sending resumes for 6 months now and have had only two interviews. I am 50 years old, sleeping on my sister's couch, with nothing to look forward to in my retirement. I suppose I simply won't have that pleasure."

The next story comes from Bhisma Ramdass of Florida:

"I live in Palm Beach County. I work for the largest hospital corporation in the world. I also had another job to make ends meet."

□ 1040

"I had a daughter that was born premature. The economy got bad. I lost money from the other job. Took time off to care for my wife and baby. Unable to make full payments to Chase for the mortgage, they eventually foreclosed my home. My wife and three girls moved out. Chase got money from the Federal Government for my house, and they got my house. Do I owe them money if they sell my house for less than I owe? Is that fair? I have worked hard since I was 15 years old. I have provided for my family and gladly pay my taxes. Is that fair?"

The final story is also from Arizona, Thom Reiser:

"I'm retired and moderately well off financially. I've been doing a great deal of research on the economy and the history of these United States. I believe the middle class has suffered very much in the past 30 years. There's been

a great shift of wealth. However, my greatest concern is for the present economy. We need to put people back to work. A second stimulus is needed, but aimed directly at the jobless. Much of these funds should be given to states for immediate relief. Teachers, police, firefighters, and many others have lost their jobs, plus others that have to create jobs and infrastructure on our roads. Also, those unemployed should be retrained to do useful work while they're unemployed. Thank you for listening."

The American people are demanding we do something to get America back to work. These were just three of the stories we heard. I hope that we listened, and I hope that all of Congress listened. The urgency is jobs. The demand from the American people is jobs. And our responsibility is to provide the American people with the opportunities of employment and a secure future.

#### THE PALESTINIAN AUTHORITY AND ISRAEL

The SPEAKER pro tempore. The Chair recognizes the gentleman from Georgia (Mr. AUSTIN SCOTT) for 5 minutes.

Mr. AUSTIN SCOTT of Georgia. Mr. Speaker, I rise today to urge President Obama to take a strong stance against the Palestinian Authority's efforts to seek unilateral recognition for statehood from the United Nations.

Mr. Speaker, Israel is our ally, an ally that has proven, time and again, a devotion to freedom, democracy, peace, and economic stability. Indeed, Mr. Speaker, Israel is our greatest ally in the turbulent Middle East, and we need to support their efforts to resolve their issues with the Palestinians. The President must show that America is resolute in support of Israel and that he is determined that we find real solutions for peace in the Middle East.

Mr. Speaker, solutions between Israel and the Palestinians will come through good-faith negotiations and cooperation. Solutions and peace come through both sides sitting at the table with equal determination to reach an agreement.

I hope that the President realizes all of this, and that he will show America's support for Israel and be a strong voice for peace reached through negotiations and partnership. The President should make clear to the Palestinian Authority that the way to a bright and stable future for the Palestinian people will be through talking to Israel, not unilaterally seeking statehood through the U.N.

I urge all of my colleagues in this House and the Members of the Senate to join me in this call.

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until noon today.